WEEKLY ECONOMIC REVIEW

AUGUST 5, 2005

The U.S. economy added 207,000 jobs in July, beating expectations (+180,000) and supporting the U.S dollar by reversing some of the decline it experienced this week.

A strong employment report coupled with last week's release of a solid 3.4% growth for second quarter U.S. GDP strengthened market expectations for the Federal Reserve to increase interest rates by 25 basis points, to 3.5%, at its Tuesday meeting.

The Canadian economy grew by 0.3% in May, lifted by strong growth in the energy sector and high investment. Rising oil prices and stronger than expected GDP growth in May supported the Canadian dollar.

Canadian employment figures disappointed, posting a small gain of 5,900 jobs (all of which were part-time) in July, well below the 20,000 jobs expected. However, Canadian employment has gained over 220,000 jobs so far in 2005.

Alberta continued to enjoy Canada's lowest unemployment rate, at 3.6% in July. Employment in the province increased by 6,300 jobs in July, resulting in year-to-date growth of 1.8%.

Cdn Dollar (C¢/US$)

Aug 5, 2005	82.1¢
July 29, 2005	81.6¢
2005-06 YTD	80.8¢

WTI Oil US$/bbl

Aug 04, 2005	$61.38
July 28, 2005	$59.94
2005-06 YTD	$54.94

Nymex Natural Gas C$/mcf*
September Contract

Aug 5, 2005	$10.44
July 29, 2005	$ 9.59

*Estimate based on Nymex Futures Market Price

Activity in Alberta's energy sector remained strong in July, with the active rig count 55% above the latest 10-year average for the month of July. For the first seven months of this year, drilling continues to run an impressive 9.7% ahead of the record-high pace set in 2004.

Concerns regarding Saudi Arabi's oil policies following the death of King Fahd added to the existing supply concerns regarding refining capacity this week, boosting oil above US$61 a barrel.

Economic Indicators Released This Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Rigs Drilling	**July**			
	391	56.5%	26.7%	9.7%
Industrial Product Price Index (1997=100)	**June**			
	111.4	0.0%	0.2%	1.7%
Raw Materials Price Index (1997=100)	**June**			
	145.4	5.4%	13.9%	12.4%
Employment	**July**	**Gain/Loss from Previous Month (#)**	**Year-to-date change (#)**	**Year-to-date change (%)[1]**
Alberta	1,789,200	+6,300	30,871	1.8%
Canada	16,173,200	+5,900	221,343	1.4%
US	133,786,000	+207,000	15,345,000	1.7%

Source: Statistics Canada

[1]Year-to-date 2005 compared to the same time period in 2004. For example: January-June 2005 versus January-June 2004.